



The Arbitrage Group, Inc.

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Houston, Texas 77007

Telephone 713 522 8527

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July 31, 2025

Ms. Na'Son S. White
Comptroller
Madison County
146 West Center Street
P.O. Box 608
Canton, Mississippi 39046

\$1,155,317.22
Madison County Board of Supervisors
Lease and Option to Purchase
Series 2020
Final Rebate Calculation For the Period
July 24, 2020 to July 15, 2025

Dear Ms. White:

Attached please find a copy of our rebate report for the above noted bonds along with our agreed-upon invoice. The report indicates there is no rebate liability as of the July 15, 2025 Final Rebate Computation Date. Based upon the report and underlying assumptions, no IRS payment or filing is otherwise currently required.

If you have any questions or comments, please do not hesitate to contact me at (713) 522-8527. It has been our pleasure working with your team and we look forward to being of service again in the very near future regarding any other arbitrage rebate compliance or verification service needs.

Very truly yours,
The Arbitrage Group, Inc.

H. Troy Merrill
Partner



The Arbitrage Group, Inc.

\$1,155,317.22

**Madison County Board of Supervisors
Lease and Option to Purchase
Series 2020**

**Rebate Computation for the Period
July 24, 2020 to July 15, 2025**



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Madison County, Mississippi

\$1,155,317.22
Madison County Board of Supervisors
Lease and Option to Purchase
Series 2020

The Madison County Board of Supervisors ("Issuer") issued the above referenced bonds ("Bonds") dated and delivered on July 24, 2020. At the request of Madison County, Mississippi ("Borrower"), we have performed the procedures enumerated below for the period July 24, 2020 to July 15, 2025 ("Computation Period"). These procedures, which were agreed to by the Borrower were performed solely to assist the Borrower in evaluating compliance with the requirements of Section 148(f)(2) of the Internal Revenue Code of 1986, as amended ("Code"). This engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants for consulting services. The sufficiency of these procedures is solely the responsibility of the specified users of the report. This report is intended solely for your information and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. This report is not to be quoted or referred to without our prior written consent.

Our procedures and findings are as follows:

- (1) We read the IRS Form 8038-G ("8038") and Federal Tax Certificate ("Certificate"), each provided to us by or on behalf of the Borrower.
- (2) A schedule of the sources and uses of funds (Exhibit A) was assembled based upon the 8038 and Certificate.
- (3) Pursuant to the Income Tax Regulations ("Regulations"), gross proceeds of the Bonds subject to the rebate requirements of the Code, are defined as sale proceeds, investment proceeds, transferred proceeds, and replacement proceeds.

Madison County, Mississippi
July 31, 2025
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- (4) As represented by the Borrower and as described in the Certificate, all sale and investment proceeds (if any) were allocated for allowable costs in satisfaction of the six-month exception to the rebate requirement. No arbitrage earnings are attributable to sale or investment proceeds.
- (5) Consistent with the Certificate and as represented by the Borrower, there were no unspent proceeds of an issue refunded that could become transferred proceeds of the Bonds. No arbitrage earnings are attributable to transferred proceeds.
- (6) Consistent with the Certificate and as represented by the Borrower, there are no invested reserve or similar pledged funds constituting replacement proceeds. No arbitrage earnings are attributable to replacement proceeds.
- (7) The assumptions and computational information employed in the above calculations are explained in Exhibit B.
- (8) Based on the information provided to us by the Borrower and the assumptions employed, this report shows there is no rebate liability for the Bonds as of the July 15, 2025 Final Rebate Computation Date.

Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express an opinion on any of the information referred to above. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. The terms of our engagement are such that we have no obligation to update this report because of events and transactions occurring subsequent to the date of this report.

Very truly yours,

The Arbitrage Group, Inc.

Exhibits

- A. Sources and Uses of Funds
- B. Assumptions and Computational Information

Sources and Uses of Funds

*Madison County Board of Supervisors
Lease and Option to Purchase
Series 2020*

SOURCES	The Bonds
Principal Amount of the Bonds	\$1,155,317.22
USES	
Equipment Lease Purchase	\$1,155,317.22

Assumptions and Computational Information

*Madison County Board of Supervisors
Lease and Option to Purchase
Series 2020*

Unless otherwise noted, the following computational assumptions are based upon Borrower-provided representations, Certificate, bank statement, or investment activity details.

- (1) Present value and future value computations were made on the basis of a 30/360 day year and semiannual compounding. The Bonds constitute one issue for arbitrage purposes. The Bonds were fully redeemed on July 15, 2025, the Final Rebate Computation Date.
- (2) It was assumed that the only funds which were funded and contained gross proceeds of the Bonds were the Project Fund and Bond Fund. All sale proceeds were allocated for allowable costs on the date of issuance and not otherwise invested.
- (3) Other than the Bond Fund (as detailed below), there are no other amounts or accounts (including reserve or similar funds) pledged with respect to debt service on the Bonds to otherwise constitute replacement proceeds.
- (4) All amounts withdrawn from the bond accounts were assumed to be allocated for the purpose of the bond issue on the day they were withdrawn.
- (5) The Income Tax Regulations are silent as to the treatment of imputed earnings for uninvested bond proceeds. No interest earnings were imputed on uninvested amounts, if any.
- (6) The collective Bond Fund was assumed not subject to arbitrage because it operated as a bona fide debt service fund, which also satisfied the applicable yearly \$100,000 limitation.